



Santa Ana Watershed Project Authority

One Water One Watershed
OWOW Is AWARDED "TOP 25" INNOVATIONS IN AMERICAN
GOVERNMENT BY HARVARD'S KENNEDY SCHOOL



March 19, 2014

Philip L. Anthony
Commission
Chair

Celeste Cantú
General
Manager

Orange
County
Water
District

Western
Municipal
Water District

Eastern
Municipal
Water
District

San
Bernardino
Valley
Municipal
Water
District

Inland
Empire
Utilities
Agency

Mr. Keith Wallace
Project Manager

California Department of Water Resources
Division of Integrated Regional Water Management
Financial Assistance Branch
Post Office Box 942836
Sacramento, CA 94236

Re: 2014 and 2015 Proposition 84 Chapter 2 IRWM Grant Solicitations – Process
Improvements

Dear Mr. Wallace:

We appreciate the opportunity to provide comments on the new Proposition 84 IRWM grant solicitations. We learned from the recent Roundtable of Regions conference call that the former Round 3 solicitation is now broken into two separate and sequential grant solicitations, one for 2014 to address SB 104 Expedited Drought Relief and one for 2015. We have prepared comments that apply to both solicitations. We are hopeful that you find these comments helpful from the Santa Ana Watershed Project Authority, SAWPA, the regional water management group for the Santa Ana IRWM region and funding area.

- 1) **Waive Scoring for One IRWM, One Funding Area.** Our most significant comment that we strongly encourage DWR address in this grant funding solicitation as well as for the 2015 IRWM solicitation is similar to an issue raised under Round 2. SAWPA, as the sole IRWM region for the Santa Ana funding area, should not be competitively scored statewide and that competition should be limited to areas with more than one applicant in a Funding Area. DWR should review our application only for consistency with the law. This is reflected under PCR 75028: *The department shall defer to approved local project selection, and review projects only for consistency with the purposes of Section 75026.* SAWPA/OWOW is the only applicant in the Santa Ana Funding Area because early on SAWPA and the Santa Ana River Watershed's stakeholders understood the importance of being unified. Through the Regional Acceptance Process, we worked hard to form one Integrated Regional Water Management Group. SAWPA developed and implemented the integrated regional planning process—which was not always popular with all stakeholders—because we believed it was our responsibility to the State and to our own region.

CELEBRATING OVER 40 YEARS OF INNOVATION, VISION, AND WATERSHED LEADERSHIP

11615 Sterling Avenue, Riverside, CA 92503 • 951.354.4220
www.sawpa.org • Fax 951.785.7076 • onewateronewatershed@sawpa.org



Our sense is that DWR staff came to agree with this statute as they considered the final funding recommendation of 100% funding to the Santa Ana IRWM Round 2 grant funding request. Further, in the recent DWR Process Improvement Workshop, when a question was raised by our staff to DWR whether the statewide scoring would be applied to the funding areas with one IRWM region, DWR staff indicated that they understood that the competition would be limited to funding areas with multiple regions. We were very pleased to hear this interpretation regarding competition echoed back to us during the workshop.

To expedite the deferring of project selection to local regions with no competition, we recommend that all scoring tables for the IRWM projects submitted under the both future IRWM grant solicitations be waived for those funding areas with one IRWM region.

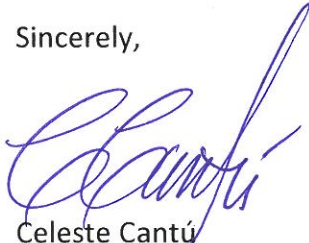
- 2) **Streamline Economic Analysis.** In review of the benefits and economic analysis grant requirements, we support DWR's efforts to seek to make it less onerous and expensive to applicants. We understand that DWR needs to conduct some benefit cost ratio in order to comply with the SB 104 text that mandates that projects can only be funded if they are not locally cost effective. This can be handled by a much simpler benefit cost ratio analysis rather than the multi-page and multi-table economic analysis format currently in the grant application. Further, since economic feasibility analysis is already a required review factor for all IRWM projects as defined on page 47 of the existing Proposition 84 IRWM Guidelines, another approach would be to again defer to the local governance and project review process to meet the benefit cost analysis requirements and request the documentation of this analysis only. We recommend this particularly in light of the very tight schedule proposed for the 2014 expedited Drought Relief solicitation.
- 3) **Consideration of Innovation.** Innovative and pilot scale projects should not be evaluated or scored in comparison to other projects since they would likely have less quantifiable benefit or proven evidence of effectiveness. Still as part of a regions long-term water resource management, IRWM regions should be considering these types of projects and supported with grant funding to implement. We recommend that DWR include text to encourage this in the PSP. Similar to previous comments, for our region with one IRWM for the Funding area, we recommend that DWR defer to our local IRWM governance to support projects that are innovative in the project selection process without DWR project scoring.

Mr. Keith Wallace
March 19, 2014
Page 3

- 4) **Shorten Grant Application.** In discussions about process improvement, one concept suggested to streamline and focus the grant application would be to limit the application to what would be included in a grant agreement with DWR. This would likely reflect just the workplan, budget and schedule for each project. Limiting the grant application to a very short form would assist IRWM regions in processing the grant application to meet the expedited schedule for the 2014 Grant Solicitation of August 2014.

We hope that you find these comments helpful. If you have any questions regarding these comments, please let us know.

Sincerely,



Celeste Cantú
General Manager

CC:MN:pb

cc: Tracie Billington